

25—4.6 (175) Program maximums.

4.6(1) *Purchase price impact.* Maximum participation amount is the lesser of:

- a.* Thirty percent of the purchase price; or
- b.* One hundred fifty thousand dollars.

4.6(2) *Net worth factor.* The aggregate amount of the participated loan can be no more than three times the net worth of the borrower. This requirement may be waived if:

- a.* The project has a guaranteed source of repayment; and
- b.* An assignment of payment is obtained.

4.6(3) *Real estate collateral issues.* A participated loan for real estate:

- a.* Cannot exceed 100 percent of the appraised value of the real estate collateral.
- b.* Any guarantee of repayment or pledge of additional collateral required by the lender to secure the participated loan shall secure the entire participated loan including the participation (by the authority).

4.6(4) *Loan terms.* The authority has established the following with respect to participation terms:

- a.* The maximum amortization period for the participation is seven years for depreciable agricultural property. When a participated loan is made for livestock, the length of the participation is restricted to the expected useful life of the animal being purchased. The following expected useful life schedules have been approved for livestock: cattle (including beef and dairy) equal 7 years; swine equal 3 years; and sheep equal 7 years.

b. IADA participation loan payments on participated real estate loans will be equally amortized for the term of the participation, but shall not exceed a 20-year amortization, including a 10-year term with balloon payment and the balance of the participation paid in full by the end of the tenth year. If utilized in conjunction with federal programs, the amortization will be consistent with federal rules.

c. The interest rate on the participated loan shall be a fixed rate. The fixed interest rate shall be reviewed by the board on a quarterly basis and adjusted as needed.

4.6(5) *Loans outstanding.* Loans under the program may be issued more than once, provided that the outstanding participation totals do not exceed \$150,000 to any single borrower.